



General Assembly

January Session, 2001

Raised Bill No. 6788

LCO No. 3896

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

***AN ACT CONCERNING BUSINESS TAX CREDITS FOR COMMUNITY
ECONOMIC DEVELOPMENT.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 (NEW) (a) As used in this section, "business firm" means any
2 business entity authorized to do business in this state and subject to
3 the corporation business tax imposed under chapter 208 of the general
4 statutes, or any company subject to a tax imposed under chapter 207 of
5 the general statutes, any air carrier subject to the air carriers tax
6 imposed under chapter 209 of the general statutes, or any railroad
7 company subject to the railroad companies tax imposed under chapter
8 210 of the general statutes, or any regulated telecommunications
9 service, express, telegraph, cable or community antenna television
10 company subject to the regulated telecommunications service, express,
11 telegraph, cable and community antenna television companies tax
12 imposed under chapter 211 of the general statutes, or any utility
13 company subject to the utility companies tax imposed under chapter
14 212 of the general statutes.

15 (b) There shall be allowed as a credit against the tax imposed by
16 chapter 207, 208, 209, 210, 211 or 212 of the general statutes in any

17 income year an amount equal to the amount donated during such
18 income year by a business firm to a nonprofit organization which has
19 established a revolving loan fund to provide loans for development of
20 small businesses in targeted investment communities, as defined in
21 section 32-222 of the general statutes, or in public investment
22 communities, as defined in section 7-545 of the general statutes. Such
23 credit may only be used to reduce tax liability and shall not otherwise
24 be refunded by the state.

25 (c) The Commissioner of Economic and Community Development
26 shall adopt written procedures in accordance with the provisions of
27 section 1-121 of the general statutes for establishment and operation of
28 community small business development revolving loan funds eligible
29 for the credit provided in this section. Such procedures shall include
30 provisions for loan eligibility and shall specify expenses for which
31 loans may be made and provide the documentation and procedures
32 necessary for a business firm to qualify for the tax credit. Loans from
33 any such fund shall be spent in this state and used for costs of small
34 businesses in such communities.

35 (d) Any business firm claiming the credit allowed by this section
36 shall submit documentation to the Commissioner of Revenue Services
37 that the revolving loan fund complies with written procedures for
38 revolving loan funds established by the Commissioner of Economic
39 and Community Development under subsection (c) of this section.

40 (e) Nothing in this section shall be construed to prevent two or more
41 business firms from participating jointly in one or more programs
42 under the provisions of this section. Such joint programs shall be
43 submitted, and acted upon, as a single program by the business firms
44 involved.

45 (f) Any business firm which desires to apply for the credit allowed
46 by this section shall submit the documentation required under
47 subsection (d) of this section to the Department of Economic and
48 Community Development on or before November first of each year.

49 (g) No tax credit shall be granted to any bank, bank and trust
50 company, insurance company, trust company, national bank, savings
51 association, or building and loan association or any other business
52 entity for activities that are a part of its normal course of business.

53 (h) Any tax credit not used in the period during which the
54 investment was made may be carried forward for the three
55 immediately succeeding income years until the full credit has been
56 allowed.

Statement of Purpose:

To provide business tax credits for community small business development.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]